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OFFICE OF THE AUDITOR-GENERAL

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REPORT

DATE: 10 APR 2021 DAY: THURSDAY

TABLED BY: HON SILVANUS OSORO, MP
MAJORITY PARTY KIHIP

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THE AUDITOR-GENERAL

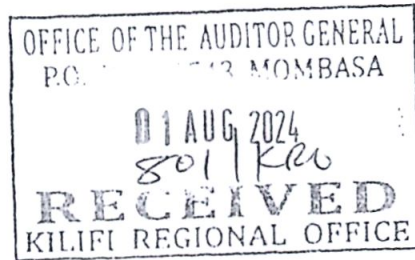
ON

KISII HIGH SCHOOL

**FOR EIGHTEEN (18) MONTHS'
PERIOD ENDED 30 JUNE, 2021**

KISII COUNTY

Revised 30th June 2021.



KISII HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR EIGHTEEN MONTHS PERIOD ENDING
30 June, 2021

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

KISII HIGH SCHOOL
Annual Report and Financial Statements
For eighteen months period ending 30th June 2021

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Annual Reports and Financial Statements
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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kisii County, Kisii Central Sub-County

The school was registered in 2006 under registration number **GP/A/380/2006** and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2396 number of students as at 30th June 2021. It has 10 streams and 115 teachers of which 17 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref	Name of Board Member	Designation	Date of appointment
1	MR. PATRICK NYAGOSIA	Chairman	19.01.2021
2	MR. FRED MOGAKA	Secretary - Principal	19.01.2021
3	DR. CECILIAH SANG	Member	19.01.2021
4	DR. ROSE OTIENO	Member	19.01.2021
5	MR. JOELEX ORORA	Member	19.01.2021
6	MRS. FLORENCE OGERO	Member	19.01.2021
7	MR. AUNGA MOMANYI	Member	19.01.2021
8	DR. CAROLINE SITIENI KOECH	Member – Rep CEB	19.01.2021
9	MR. EDWIN NYABOGA KAMBAKA	Member Rep Teachers	19.01.2021
10	PROF. CHRISTOPHER NGACHU	3 Members - Sponsor	19.01.2021
11	PROF. MABURURU NTABO	Member - Community	19.01.2021
12	DR. ALICE OYONGO	Member Special Needs	19.01.2021
13	NDWIGA MARCUS MURIRA	Rep Students	19.01.2021
14	MR. GEOFFREY KEMONII	Member	19.01.2021
15	MR. MICHAEL NYACHAE	Member	19.01.2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Sl. No.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Patrick Nyagosia 2.Fred Mogaka 3. Dr.Cecilliah S. 4. Edward Arasa 5.Dr.Rose Otieno	Chairman BoM Secretary BoM	2
2	Audit Committee	1.Michael Nyachae 2.Joelix Orora 3.Dr.Caroline Sitien		0
3	Finance,procurement and general purposes Committee	1.Dr. Rose Otieno 2.Dr.Cecilliah Sang 3.Edward Arasa 4.Patrick Nyagosia		2
4	Academic Committee	1.Prof. Ng'acho 2.Dr. Celiliah Sang 3.Edward Arasa 4.Prof. Mabururu		2
5	Development Committee	1.Patrick Nyagosia 2.Edward Arasa 3.Nyaboga Edwin 4.Dr. Alice Oyongo 5.Prof. Ntabo M.	secretary	4

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6	Discipline and welfare Committee	1.Dr. Alice Oyongo 2.Aunga Momanyi 3.Florence Ogero 4.Joelex Orora 5.Dan Nyarunda 6.Dr. Rose Otieno		2
7	Adhoc Committee (Tendering)	1.Gilbert Nyariki 2.Edwin Nyaboga 3.Henry Mosioma 4.Hesbon Chweya 5.Ann Selim 6. George Okoth 7.Tom Okong'o 8.Joyce Nyaega	Chairman secretary	1

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Fred O. Mogaka	421904
2	Deputy Principal	Mr. Gilbert O. Nyariki	365018
3	Deputy Principal	Mr. Edwin K. Nyaboga	458696
4	School Bursar	Mrs. Joyce Nyaega	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 11 - 40200
Telephone: 0612313386
E-mail: kisiischool@yahoo.com
Website: www.kisiischool.ac.ke

(i) School Bankers

The following school operated 12 bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: NATIONAL BANK – SCHOOL FUND A/C
Branch: KISII
Account Number: 01021033721100
2. Name of Bank: NATIONAL BANK - OPERATIONS
Branch: KISII
Account Number: 01021033721101
3. Name of Bank: NATIONAL BANK – PERSONAL EMOL
Branch: KISII
Account Number: 01242033740500
4. Name of Bank: NATIONAL BANK - INFRASTRUCTURE
Branch: KISII
Account Number: 01025033721101
5. Name of Bank: NATIONAL BANK - TUITION
Branch: KISII
Account Number: 01025033721100
6. Name of Bank: NATIONAL BANK – P.T.A
Branch: KISII
Account Number: 01242034453300
7. Name of Bank: EQUITY BANK – FEES COLLECTIONS
Branch: KISII
Account Number: 0510261438417
8. Name of Bank: SIDIAN BANK - FEES COLLECTIONS
Branch: KISII
Account Number: 01015020003401

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- | | | |
|-----|-----------------|------------------------------|
| 9. | Name of Bank: | KCB BANK - FEES COLLECTIONS |
| | Branch: | KISII |
| | Account Number: | 1180746740 |
| 10. | Name of Bank: | ABSA BANK - FEES COLLECTIONS |
| | Branch: | KISII |
| | Account Number: | 2025572230 |
| 11. | Name of Bank: | ABSA BANK - FARM ACCOUNT |
| | Branch: | KISII |
| | Account Number: | 2025577496 |
| 12. | Name of Bank: | EQUITY BANK - GRATUITY |
| | Branch: | KISII |
| | Account Number: | 0510278541143 |

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2020/2021	2019	2018
SURPLUS/(DEFICIT)	13,665,146	26,678,549	7,743,611

- *Capitation grants from the Ministry of Education for the last three years*

ACCCOUNT	2020/2021	2019	2018
TUITION	7,482,940	5,849,159.69	15,255,420
OPERATIONS	42,843,116	27,659,788.80	24,951,893

- *Ratio of capitation grant per student over the last three years*

ACCCOUNT	2020/2021	2019	2018
TUITION	7,482,940	5,849,159	15,255,420
RATE PER STUDENT	1:3,123	1:3,277	1:8,546
OPERATIONS	42,448,316	27,659,788	24,951,893
RATE PER STUDENT	1:17,716	1:15,496	1:13,979

- *A three-year overview of growth of other income(s) earned by the school.*

YEAR	2020/2021	2019	2018
SCHOOL FUND ACCOUNT	146,234,981	167,594,630.16	107,826,609

- *A three-year overview of growth in expenditure of the school*

	2020/2021	2019	2018
TUITION A/C	17,834,864	12,121,701	15,889,415
OPERATIONS A/C	10,604,617	13,009,571	21,522,921
SCHOOL FUND A/C	154,456,411	104,954,990	102,878,005

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- *Movement of debtors and creditors of the school over the last three years*

Debtors Movement

YEAR	2020/2021	2019	2018
Debtors	70,498,303	26,678,549	43,211,110

Creditors Movement

YEAR	2020/2021	2019	2018
Creditors	17,799,268	26,678,549	34,849,646

- *Movement of cash and bank balances over the last three years*

	2020/2021	2019	2018
Cash balances	40,735	7,410	14,006
Bank balances	7,751,185	8,630,437	18,044,176

b) **Teacher Student ratio:**

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

TEACHERS DATA AS AT 30TH JUNE 2021

	NUMBER
Existing TSC teachers	98
Recruited & posted TSC teachers	04
Transferred / retired TSC teachers	04
Teachers employed by BoM	17
School enrolment	2396
Teacher – student ratio	1:21

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c) Mean score in the 2018-2020 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

<i>PARTICULARS</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Mean score attained</i>	<i>9.019</i>	<i>8.381</i>	<i>7.652</i>
<i>Set target</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>
<i>Number to university</i>	<i>421</i>	<i>347</i>	<i>307</i>
<i>Percentage pass</i>	<i>91%</i>	<i>78%</i>	<i>69%</i>

d) Number of Candidates in the 2018-2020 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Candidates Entry</i>	<i>463</i>	<i>445</i>	<i>445</i>

e) Capacity of the school:

Indicate the number of students in the school visa vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

<i>FACILITY</i>	<i>NUMBER</i>	<i>ENROLMENT</i>	<i>RATIO</i>
<i>Dormitories</i>	<i>11</i>	<i>2,396</i>	<i>1:218</i>
<i>Dining hall</i>	<i>02</i>	<i>2,396</i>	<i>1:1,198</i>
<i>Labs- Sciences</i>	<i>05</i>	<i>2,396</i>	<i>1:480</i>
<i>-ICT</i>	<i>02</i>	<i>2,396</i>	<i>1:1,198</i>
<i>Toilets</i>	<i>90</i>	<i>2,396</i>	<i>1:27</i>

f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format

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<i>PROJECTS</i>	<i>NUMBER</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>
<i>Two- Storeyed Dormitory</i>	<i>01</i>	<i>MIF & Parents</i>	<i>Ongoing</i>
<i>Labs – Science</i>	<i>03</i>	<i>MIF</i>	<i>Ongoing</i>
<i>Labs - ICT</i>	<i>01</i>	<i>MIF</i>	<i>Ongoing</i>
<i>Multi-Purpose Hall</i>	<i>01</i>	<i>MIF</i>	<i>Ongoing</i>
<i>Library</i>	<i>01</i>	<i>MIF</i>	<i>Ongoing</i>

Sign



School Principal

KISII HIGH SCHOOL
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For eighteen months period ending 30th June 2021

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Kisii High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Mr. Patrick O. Nyagosia
Designation: Chairman, School Board of Management

Sign:



Date: 26/06/2024

Name: Mr. Fred O. Mogaka
Designation: School Principal & Secretary to Board of Management

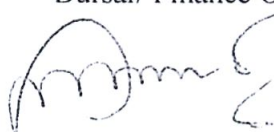
Sign:



Date: 26/06/2024

Name: Mrs. Joyce Moraa Nyaega
Designation: Bursar/ Finance Officer

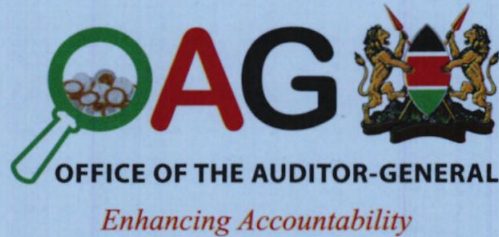
Sign:



Date: 26/06/2024

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KISII HIGH SCHOOL FOR EIGHTEEN (18) MONTHS' PERIOD ENDED 30 JUNE, 2021 – KISII COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kisii High School – Kisii County set out on pages 13 to 30 which comprise of the statement of financial assets and financial liabilities for the eighteen (18) months period ended 30 June, 2021 and the statement of

receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisii High School - Kisii County for eighteen (18) months period ending 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracy of Capitation Grants Amount

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects receipts in respect of capitation grants for operations totalling Kshs.42,843,116. However, review of the National Education Management Information System (NEMIS) disbursements made to the school revealed that capitation grants totalled Kshs.44,968,382 resulting to unexplained variance of Kshs.2,125,266. In addition, the NEMIS data at County Director of Education (CDE) was based on 2,207 students while enrollment Data maintained by management indicated that student enrollment was 2,173 between July and December, 2020 and 2,396 between January and April, 2021 resulting to under disbursement of Kshs.1,163,296.

In the circumstances, the accuracy of the capitation balance of Kshs.42,843,116 could not be confirmed.

2. Long Outstanding Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.70,498,303 as disclosed in Note 11 to the financial statements which includes a balance of Kshs.65,666,506 in respect of fees arrears. Out of the fee arrears balance, Kshs.51,417,685 relate to the balances outstanding for over two (2) years.

In the circumstances, the fair valuation, accuracy and recoverability of receivables balance of Kshs.51,417,685 could not be confirmed.

3. Long Outstanding Accounts Payable Balance

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.17,799,268. However, included in the balance are trade payables balance of Kshs.4,282,545 which relate to the previous year and whose payment plan was not provided and which could result into avoidable penalties and interest costs.

In the circumstances, completeness and accuracy of the accounts payables balance Kshs.4,282,545 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kisii High School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.159,731,274 and Kshs.196,561,037 respectively, resulting to an over-funding of Kshs.36,829,763 or 23% of the budget. However, the School spent a balance of Kshs.170,432,906 against actual receipts of Kshs.196,561,037, resulting to an under-utilization of Kshs.26,128,131 or 15% of actual receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Late Submission of Financial Statements to the Auditor-General

Management submitted financial statements for audit on 7 March, 2024 which is thirty (30) months after the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Approved Information Communication Technology Policy

Review of the school Information Communication and Technology (ICT) environment revealed that there was no formal approved ICT policy in place. Further, the School does not have a data security and disaster recovery plan in place. In addition, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data including the management information system could not be confirmed.

2. Poor Management of Textbooks

2.1 Inadequate Need Assessment Guiding Distribution of Textbooks to Schools

The audit established that in the financial years 2020/2021 for Kisii High school, there was no evidence of instructional need assessment that provided basis for determining the number and subject of instructional material needed by the school. In addition, there was no evidence of SIMSC committee that was set up, SIMSC Minute book Minutes highlighting the needs.

As a result, the opening balances of stock inventory of text books in schools from the inception of the orange book when schools were given text book capitation in terms of numbers and their monetary value could not be ascertained. In addition, there was risk of loss of text books issued to schools as capitation through obsolete stock.

2.2 Shortfall in Number of Textbooks Delivered Compared to Enrolment

The audit revealed that a total of 9,376 text books were to be delivered to the school in the year 2020/2021. However, there were no textbooks supplied to Kisii High School in 2021.

In the circumstances, the effectiveness of the controls on management of text books could not be confirmed.

3. Incomplete Fixed Asset Register

Review of the schools fixed asset register revealed that the School has recorded most of the assets, however the register does not include serial numbers of assets for computers, TVs and other electronic items and does not show the cost of the assets. Further, the School assets had not been tagged.

In the circumstances, effectiveness of the management of assets could not be confirmed.

The audit was conducted in accordance with the (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


27 January, 2025


KISII HIGH SCHOOL
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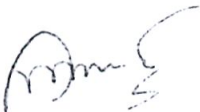
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	NOTE	2020/2021 KSHS.CTS	2019 KSHS.CTS
RECEIPTS			
Capitation grants for tuition	1	7,482,940.20	5,849,269.65
Capitation grants for operations	2	42,843,116.25	27,660,161.55
School Fund Income- Parents' Contributions	3	64,994,859.90	47,890,323.00
School Fund Income- Other receipts	4	81,240,121.09	62,820,195.00
TOTAL RECEIPTS		196,561,037.44	144,219,949.20
PAYMENTS			
Payments for Tuition	5	17,834,864.00	12,121,701.00
Payments for operations	6	10,604,617.00	13,009,571.00
Boarding and school fund payments	7	154,456,410.84	98,682,513.92
TOTAL PAYMENTS		182,895,891.84	123,813,785.92
SURPLUS/DEFICIT		13,665,145.60	20,406,163.28

The school financial statements were approved on 26/06/2024 and signed by:

Sign: 
Name MR. PATRICK O. NYAGOSIA
Chair BOM
Date 26.6.24

Sign: 
Name MR. FRED O. MOGAAGA
School Principal/
Secretary to BOM
Date 26.6.24

Sign: 
Name J. M. Njoroge
Bursar/
Finance Officer
Date 26.6.24


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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
30TH JUNE 2021

	Note	2020/2021	2019
		KSHS.CTS	KSHS.CTS
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	7,751,184.93	8,572,808.31
Cash Balances	9	40,735.52	
Short term Investment	10	-	-
Total Cash and Cash Equivalents		7,791,920.45	8,580,218.20
Account's receivables	11	70,498,303.29	58,395,999.74
TOTAL FINANCIAL ASSETS		78,290,223.74	66,976,217.94
FINANCIAL LIABILITIES			
Accounts Payable	12	17,799,268.20	20,150,408.00
NET FINANCIAL SSETS		60,490,955.54	46,825,809.94
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	46,825,809.94	26,419,646.66
Surplus/Defict for the year		13,665,145.60	20,406,163.28
NET FINANCIAL POSITION		60,490,955.54	46,825,809.94


The School's financial statements were approved on 26.06.2024 and signed by:

Name: PATRICK D. NIYAGOSIA
 Chairman, BoM

Sign: 

Date: 26/06/2024

Name: FRED D. MOGAKA
 School Principal/Secretary
 to BoM

Sign: 

Date: 26/06/2024

Name: JOICE M. Mwangi
 Bursar/Finance

Sign: 

Date: 26/06/2024

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VII. STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Receipts from operating activities		
Capitation grants for tuition	7,482,940.20	5,849,269.65
Capitation grants for operations	42,843,116.25	27,660,161.55
School fund income- Parents contributions/ fees	64,994,859.90	47,890,323.00
School fund income- other receipts	69,324,712.54	52,987,571.00
Total receipts	184,645,628.89	134,387,325.20
Payments		
Payments for Tuition	13,881,311.00	12,121,701.00
Payments for operations	7,527,072.00	13,009,571.00
Boarding and school fund payments	150,680,277.64	118,734,017.75
	172,088,660.64	143,865,289.75
Net cash flow from operating activities	12,556,968.25	(9,477,964.55)
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets	-	-
Acquisition of Assets	(13,345,266)	-
Proceeds from investments	-	-
Net cash flows from Investing Activities	(13,345,266)	-
NET CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		
Repayment of principal borrowings		
Net cash flows from Investing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENT	(788,297.75)	(9,477,964.55)
Cash and cash equivalent at BEGINNING of the year	8,580,218.20	18,058,182.75
Cash and cash equivalent at END of the year	7,791,920.45	8,580,218.20

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cash flow as recommended by PSASB.

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	-	-	-	-	-	
Exercise books	2,439,200.00	-	2,439,200.00	3,200,121.26	(760,921.26)	131.2%
Laboratory equipment	3,152,400.00		3,152,400.00	2,339,215.94	813,184.06	74.2%
Internal exams	1,000,000.00		1,000,000.00	459,062.72	540,937.28	45.9%
Teaching / learning materials	910,800.00		910,800.00	351,294.72	559,505.28	38.6%
Chalks	500,000.00		500,000.00	573,351.14	(73,351.14)	114.7%
Ref. materials	700,000.00		700,000.00	559,894.42	140,105.58	80.0%
Teachers guides	-		-	-	-	
			-	-	-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	13,828,500.00		13,828,500.00	14,621,425.44	(792,925.44)	105.7%

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Repairs and maintenance	10,500,000.00		10,500,000.00	17,273,250.00	(6,773,250.00)	164.5%
Local transport / travelling	1,890,000.00		1,890,000.00	2,699,791.03	(809,791.03)	142.8%
Electricity and water	2,131,500.00		2,131,500.00	3,464,145.58	(1,332,645.58)	162.5%
Medical	4,200,000.00		4,200,000.00	394,800.00	3,805,200.00	9.4%
Administration costs	1,890,000.00		1,890,000.00	3,600,104.20	(1,710,104.20)	190.5%
Activity	3,150,000.00		3,150,000.00	789,600.00	2,360,400.00	25.1%
Gratuity	-		-	-	-	
Others	-		-	-	-	
<i>(3) FEES CHARGED ON PARENTS</i>	-		-			
Personnel emoluments	12,541,200.00		12,541,200.00	20,974,835.85	(8,433,635.85)	167.2%
Repairs and maintenance	4,200,000.00		4,200,000.00	6,000,400.78	(1,800,400.78)	142.9%
Local transport / travelling	5,751,900.00		5,751,900.00	6,175,839.60	(423,939.60)	107.4%
Electricity and water	15,302,700.00		15,302,700.00	19,362,692.80	(4,059,992.80)	126.5%
Medical				-	-	
Administration costs	9,183,300.00		9,183,300.00	9,983,309.47	(800,009.47)	108.7%
Activity	1,675,800.00		1,675,800.00	2,497,781.40	(821,981.40)	149.1%

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SMASSE	420,000.00		420,000.00	-	420,000.00	0.0%
Fee on Boarding Equipment and Stores			-	-	-	
	-		-			
OTHER INCOME	-		-			
Rent income	25,150.00		25,150.00	25,150.00	-	100.0%
Income from farming activities	530,324.00		530,324.00	530,324.00	-	100.0%
Fee on Boarding Equipment and Stores	63,808,500.00		63,808,500.00	80,684,647.09	(16,876,147.09)	126.4%
Income from Posho mill	-		-	-	-	
Income from Bus Hire	-		-	-	-	
Fee for hire of ground and equipment	-		-	-	-	
Interest income	-		-	-	-	
Income from any other investment	-		-	-	-	
TOTAL INCOME	159,731,274.00		159,731,274.00	196,561,037.44	(36,829,763.44)	123.1%
	-					
EXPENDITURE FOR TUITION	-					
Textbooks and reference materials	-		-	-	-	
Exercise books						231.3%

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Laboratory equipment	3,152,400.00		3,152,400.00	4,224,265.00	(1,071,865.00)	134.0%
Internal exams	1,000,000.00		1,000,000.00	593,355.00	406,645.00	59.3%
Teaching / learning materials	910,800.00		910,800.00	6,152,543.00	(5,241,743.00)	675.5%
Chalks	700,000.00		700,000.00	498,600.00	201,400.00	71.2%
Teachers guides	723,304.00		723,304.00	723,304.00	-	100.0%
Admin costs	-		-	-	-	-
EXPENDITURE FOR OPERATIONS	-		-			
Personnel emoluments	12,541,200.00		12,541,200.00	-	12,541,200.00	0.0%
Repairs, maintenance and improvements	10,500,000.00		10,500,000.00	-	10,500,000.00	0.0%
Local transport / travelling	1,890,000.00		1,890,000.00	1,880,110.00	9,890.00	99.5%
Electricity, water and conservancy	2,131,500.00		2,131,500.00	1,802,180.00	329,320.00	84.5%
Medical Expenses	4,200,000.00		4,200,000.00	515,655.00	3,684,345.00	12.3%
Administration costs	1,890,000.00		1,890,000.00	4,982,542.00	(3,092,542.00)	263.6%
Activity	3,150,000.00		3,150,000.00	898,340.00	2,251,660.00	28.5%
Maintenance & improvemet fund	525,790.00		525,790.00	525,790.00	-	100.0%
EXPENDITURE FOR SCHOOL FUND	-		-			
Lunch programme	-		-			

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			-	-	-	
Boarding Equipment and Stores	63,808,500.00		63,808,500.00	77,398,252.91	(13,589,752.91)	140.8%
Personnel emoluments	12,541,200.00		12,541,200.00	26,036,770.15	(13,495,570.15)	207.6%
Repairs, maintenance and improvements	4,200,000.00		4,200,000.00	13,345,266.00	(9,145,266.00)	317.7%
Local transport / travelling	5,751,900.00		5,751,900.00	5,396,646.00	355,254.00	93.8%
Electricity, water and conservancy	15,302,700.00		15,302,700.00	8,533,187.00	6,769,513.00	55.8%
Medical Expenses	363,599.00		363,599.00	363,599.00	-	100.0%
Administration costs	9,183,300.00		9,183,300.00	8,668,925.68	514,374.32	94.4%
Activity	1,629,130.00		1,629,130.00	1,629,130.00	-	100.0%
MIF	132,000.00		132,000.00	132,000.00	-	100.0%
Farm expenses	489,648.00		489,648.00	489,648.00	-	100.0%
Acquisition of Assets	-		-	-	-	
Other Payments	-		-	-	-	
TOTAL	159,156,171.00		159,156,171.00	170,432,905.74	(11,276,734.74)	107.1%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. *The comparisons could not be done because the Actual figures are for a period of eighteen months and the school did not have an approved for eighteen months. there was an approved budget for twelve months.*

IX. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. **Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
6. **Accounts Payable**
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
7. **Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
8. **Budget**
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget approved by the School Board of Management was for twelve months. A comparison of the actual performance against the comparable budget for the financial year was therefore not possible.
9. **Comparative figures**
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation. The statements cover eighteen months period of 1st January, 2020 to 30th June, 2021.
10. **Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Textbooks and reference materials	-	-
Exercise books	3,200,121.26	2,757,663.00
Laboratory equipment	2,339,215.94	1,515,622.00
Internal exams	459,062.72	593,761.00
Teaching/learning materials	351,294.72	173,028.00
Chalk	573,351.14	442,822.00
Ref materials	559,894.42	366,373.65
Teachers guides	-	-
Total	7,482,940.20	5,849,269.65

2 CAPITATION GRANT FOR OPERATIONS

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Personnel emoluments	14,621,425.44	10,144,360.00
Repairs & maintenance	17,273,250.00	10,859,400.00
Electricity and water	3,464,145.58	1,395,161.00
Local transport / travelling	2,699,791.03	1,254,480.00
Medical	394,800.00	-
Administration costs	3,600,104.20	1,345,347.82
Activity	789,600.00	2,661,412.73
Total	42,843,116.25	27,660,161.55

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Personnel emoluments	20,974,835.85	12,344,124.00
Repairs and maintenance	6,000,400.78	4,134,000.00
Local transport / travelling	6,175,839.60	5,661,513.00
Electricity and water	19,362,692.80	15,062,229.00
Medical	-	-
Administration costs	9,983,309.47	9,038,991.00
Activity	2,497,781.40	1,649,466.00
Boarding/Lunch	-	-
Total	64,994,859.90	47,890,323.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Boarding equipment & stores	80,684,647.09	62,805,795.00
Income from farming	530,324.00	-
Tender fees	-	-
Income from Posho mill	-	-
Income from Bus Hire	-	-
Income from hire of facilities	-	-
Income from bakery	-	-
Rental income	25,150.00	14,400.00
Dividends income	-	-
Total	81,240,121.09	62,820,195.00

5 PAYMENTS FOR TUITION

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Textbooks and reference materials	-	-
Exercise books	5,642,797.00	3,695,400.00
Laboratory equipment	4,224,265.00	4,417,300.00
Tuition expenses	-	-
Teaching / learning materials	6,152,543.00	1,753,850.00
Chalks	498,600.00	403,000.00
Exams and assessment	593,355.00	876,105.00
Teachers guides	723,304.00	976,046.00
Administration Costs	-	-
Total	17,834,864.00	12,121,701.00

KISHI HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Personnel emoluments	-	-
Service Gratuity	-	-
Administration Cost	4,982,542.00	3,334,940.00
Repairs & maintenance	-	2,438,071.00
Local transport / travelling	1,880,110.00	2,220,724.00
Electricity and water	1,802,180.00	2,473,521.00
Medical	515,655.00	556,960.00
Activity Expenses	898,340.00	1,985,355.00
M.I.F	525,790.00	-
Gubogi sacco	-	-
Bank Charges	-	-
Acquisition of Assets	-	-
TOTAL	10,604,617.00	13,009,571.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Personnel emoluments	26,036,770.15	23,227,464.00
Service gratuity	-	1,195,475.00
Repairs and maintenance & Improvements	13,345,266.00	14,034,362.00
Local transport / travelling	5,396,646.00	9,646,509.36
Electricity and water	8,533,187.00	4,326,796.00
Medical/Insurance Expenses	363,599.00	439,930.00
Administration costs	8,668,925.68	8,812,900.66
Activity	1,629,130.00	1,570,895.00
M.I.F	132,000.00	5,795,710.00
Tendering	-	-
Boarding equipment & stores	89,861,239.01	29,632,471.90
Bursary	-	-
Farm expenses	489,648.00	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	154,456,410.84	98,682,513.92

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

KISHI HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name & Bank	Bank Account Number	2020/2021	2019
		KSHS.CTS	KSHS.CTS
Tuition Account - NBK	01025033721100	(9,334.45)	84,290.35
Operations Account - NBK	01021033721101	177,783.65	463,037.65
School fund 1 - NBK	01021033721100	552,555.20	315,575.25
School fund 2 - EQUITY	0510261438417	(535,548.39)	2,227,764.72
School fund 3 - SIDIAN	01015020003401	590,757.16	37,829.77
School fund 4 - KCB	1180746740	1,459,661.25	2,096,525.25
School fund 5 - ABSA	2025572230	255,857.10	1,439,526.10
School fund 6 - COOP	01129808630000	189,812.82	857,187.82
Infrastructure -NBK	01025033721101	4,507,670.50	203,546.50
Savings PE - NBK	01242033740500	192,085.01	80,988.55
PA - NBK	01242034453300	284,419.53	278,779.55
Farm - ABSA	2025577496	20,003.55	226,122.80
Gratuity - Equity	0510278541143	65,462.00	261,634.00
Total		7,751,184.93	8,572,808.31

9 CASH IN HAND

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Operation Account	-	-
School Fund account	40,735.52	7,409.89
Total	40,735.52	7,409.89

10 SHORT TERM INVESTMENTS

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Fees arrears	65,666,505.89	41,682,911.24
Rent	1,924,400.00	1,924,400.00
Salary advances	369,845.00	182,950.00
Suspense account	2,537,552.40	2,537,552.40
Total	70,498,303.29	46,327,813.64

[Include an ageing of the fees / non fees arrears below]

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Fees arrears for current year	14,248,820.60	-
Fees arrears for the previous year	13,858,512.00	16,191,924.05
Fees arrears for prior periods (over two years)	37,559,173.29	37,559,173.29
Total	65,666,505.89	53,751,097.34

12 ACCOUNTS PAYABLE

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Trade creditors (See ageing below and appendix 1)	16,028,818.00	15,418,440.00
Prepaid fees	1,770,450.20	4,731,968.00
Retention monies	-	-
Total	17,799,268.20	20,150,408.00

[Include an ageing of the creditor's arrears below]

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Trade creditors for current year	11,746,273.00	-
Trade creditors for the previous year	4,282,545.00	15,418,440.00
Trade creditors for prior periods (over two years)	-	-
Total	16,028,818.00	15,418,440.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Bank balances	8,572,808.31	18,044,176.55
Cash balances	7,409.89	14,006.20
Short Term Investments	-	-
Receivables	58,395,999.74	43,211,110.60
Payables	20,150,408.00	34,849,646.69
Total	46,825,809.94	26,419,646.66

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Cattle	900,000.00	-
Pigs	140,000.00	-
Trees	1,500,000.00	-
Coffee or tea plantation	-	-
Poultry	-	-
Total	2,540,000.00	-

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16 Borrowings

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	2020/2021	2019
	KSHS.CTS	KSHS.CTS
Stock/Inventory		
Stock/ inventory at beginning of the year	6,329,203.00	5,302,600.00
Stock/ inventory purchased during the year	180,600,300.00	121,011,000.00
Stock/ inventory issued during the year	159,025,100.00	119,984,397.00
Balance at end of the year	27,904,403.00	6,329,203.00

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2019
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of buildings					
1. Dollar transporters		14.12.2019	820,000	120,640	1,313,880
2. Ceresheshe enterprises		14.12.2019	1,020,000	330,000	0
3.					
Sub-Total			1,840,000	450,640	1,313,880
Supply of goods					
4. Screen print agency		14.12.2019	250,000	347,400	0
5. Erimat general supplies		14.12.2019	300,000	355,000	570,000
6. Lornah nyaburi oginga		14.12.2019	0	200,000	0
7. Bomomoi enterprises		14.12.2019	0	80,000	0
8. Peaksale international		14.12.2019	554,300	513,700	1,351,720
9. Mary adoyo ogweno		14.12.2019	554,500	84,000	204,000
10. Penjamo agency & general supplies ltd		14.12.2019	1,400,000	500,000	1,340,000
11. Jasowema co. ltd		14.12.2019	200,000	420,000	0
12. Hetimo investment ltd		14.12.2019	150,000	136,000	0
13. Wifri kenya ltd		14.12.2019	0	305,000	0
14. Toyota investment		14.12.2019	130,000	90,000	0
15. Riandire general supplies		14.12.2019	640,000	410,000	0
16. Fidelis nyakoe		14.12.2019	291,510	100,000	0
17. Jumato enterprises		14.12.2019	100,000	180,000	0
18. Nyarocha enterprises		14.12.2019	420,000	180,000	0
19. Upward suppliers		14.12.2019	420,000	290,000	0
20. Juevvs enterprises		14.12.2019	950,000	141,000	0
21. Phamox agencies		14.12.2019	344,650	240,850	0
22. Kisii uniform centre		14.12.2019	0	142,225	0

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2019
23. Kiscen enterprises		14.12.2019	127,000	70,000	0
24. Licada high-tech systems		14.12.2019	800,000	185,000	0
25. Koffi and bee enterprises		14.12.2019	1,500,000	424,000	1,032,500
26. starowa investment		14.12.2019	200,000	215,500	0
27. mantone investments		14.12.2019	100,000	342,700	0
28. morning dew enterprises		14.12.2019	188,350	220,400	0
29. buktech company ltd		14.12.2019	500,000	348,500	0
30. deitas engineering		14.12.2019	400,000	424,000	0
31. ranyao enterprises		14.12.2019	300,000	396,805	0
32. fomotech multi agencies		14.12.2019	200,000	215,000	215,400
33. buktech company ltd		14.12.2019	0	475,000	0
34. prenceton lab & stationery		14.12.2019	350,000	110,000	350,000
35. majena merchants		14.12.2019	700,000	100,000	0
36. bribara enterprises		14.12.2019	600,000	80,000	480,000
37. keboco agencies		14.12.2019	1,598,000	1,500,160	746,635
38. rentesh enterprises		14.12.2019	400,000	395,190	296,480
39. avendo ebenezer		14.12.2019	600,000	451,950	689,960
40. starocky agencies		14.12.2019	600,000	141,545	256,545
41. elvico agencies		14.12.2019	323,955	426,708	0
42. ngolo technical services		14.12.2019	0	58,000	0
Sub-Total			16,192,265	11,295,633	7,533,240
Supply of services					
43.					
44.					
45.					
Sub-Total					
Grand Total			18,032,265	11,746,273	8,847,120

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset Class	Historical Cost b/f (Kshs) 1st Jan 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land		-	-	
Buildings And Structures	570,813,907.00	13,345,266.00	-	584,159,173.00
Motor Vehicles	19,200,000.00		-	19,200,000.00
Office Equipment, Furniture And Fittings	51,860,000.00		-	51,860,000.00
Textbooks	9,152,000.00		-	9,152,000.00
ICT Equipment	6,965,000.00		-	6,965,000.00
Tools And Apparatus	28,800,000.00		-	28,800,000.00
Other Machinery And Equipment	5,555,000.00		-	5,555,000.00
Heritage And Cultural Assets	820,000.00		-	820,000.00
Intangible Assets- Soft Ware	850,000.00		-	850,000.00
Total	694,015,907.00		-	707,361,173.00

(The school should ensure that a detailed fixed assets register is maintained).